

PAYLINES

VOLUME XXIII NUMBER 2

A Periodic Newsletter Published By

JANUARY 2005

CIVILIAN PERSONNEL MANAGEMENT SERVICE WAGE AND SALARY DIVISION – NAF PAY SYSTEMS BRANCH

FY 2005 WAGE SCHEDULES RELEASED

The Consolidated Appropriations Act, 2005, December 8, 2004 (Public Law 108-447), contains two provisions that affect Fiscal Year (FY) 2005 Federal Wage System (FWS) locality pay adjustments. Section 613 establishes a pay increase limitation (pay cap) of 3.66%. Section 640(b) stipulates that prevailing rate employees receive a percentage adjustment not less than the percentage adjustment received by General Schedule (GS) employees in the same location.

Pursuant to the Appropriations Act, the President signed Executive Order 13368 on December 30, 2004, implementing a 3.5% overall average pay increase for GS employees. 2.5% is allocated as an across-the-board increase and the remaining 1.0% is distributed in various amounts as GS locality increases.

Following the signing of the Executive Order, the Office of Personnel Management issued CPM 2004-33 on December 30, 2004, which provided guidelines for the application of FY 2005 pay provisions. This allowed for the “held” Crafts and Trades (CT), Administrative Support (AS), and Patron Services (PS) schedules to be issued. As we advised in the October Paylines, CT, AS, and PS schedules, with effective dates on or after October 1, 2004, could not be calculated or issued until FY 2005

Federal pay legislation was finalized.

The “held” CT, AS, and PS schedules were issued and posted to our website beginning December 30, 2004. **Please note that the normal effective date for each area has not changed. Pay changes must be implemented retroactively to the effective date shown on the schedule regardless of the issue date.**

As in FY 2004, there are three components to calculating the pay for the NAF CT, AS, and PS schedules; prevailing rate survey results, the pay cap, and a minimum percentage based on the GS adjustment (a.k.a. pay parity). The GS adjustment varies by GS-defined locality area. Since FWS wage areas are defined differently, they have been cross-referenced with GS locality pay areas. In some cases, the NAF wage area corresponds to two or more GS locality pay areas, thus requiring multiple schedules. **Please note that for FY 2005, the boundaries of most of the GS locality pay areas have been changed. As a result, some NAF wage areas correspond differently to GS locality pay areas this fiscal year. The NAF wage area numbering and schedule backs provide guidance.**

In some wage areas, the GS percentage will actually be higher than the survey results and the cap. In these cases, the GS percentage increase will apply. Pursuant to Section 640(c) of the Act, the added cost in pay resulting from the application of Section 640(b) will be paid from appropriated funds. A “base” schedule reflecting what the

pay would have been without the impact of Section 640(b), will continue to be provided by the NAF Pay Systems staff to Component Headquarters. These “base” schedules will allow for the calculation of the amount to be paid from appropriated funds.

NAF Pay Systems (NPS)

Once the GS increases were determined, NPS schedules (a.k.a. payband) with new **upper band rates** were issued on December 30, 2004, for all wage areas.

MINIMUM WAGE

The minimum wage in five states and the District of Columbia increased on January 1, 2005. New CT, AS, PS and NAF Pay System schedules were issued for those wage areas affected by the change.

District of Columbia \$6.15 to \$6.60
Illinois – \$5.50 to \$6.50
New York – \$5.15 to \$6.00
Oregon – \$7.05 to \$7.25
Vermont – \$6.75 to \$7.00
Washington – \$7.16 to \$7.35

The Florida minimum wage will increase on May 2, 2005, from \$5.15 to \$6.15.

There is a bill pending in the Nevada State Legislature that would increase the minimum wage from \$5.15 to \$6.15.

Please contact the staff at (703) 696-1777 or DSN 426-1777, if you have any questions.